



3rd June, 2020/6214

To,
Shri Hasmukh Adhia,
Chairman,
Economic Revival Committee.
Govt.of Gujarat.

Sub: Key highlights of Restart Package announced by Govt. of Andhra Pradesh

Dear Sir,

Greetings from Gujarat Chamber of Commerce & Industry.

This refers to one of the points included by us in sector-wise suggestions, sent to you vide our letter No.3102 dated 25th May, 2020, regarding power [point No.13] wherein it was suggested by us that the Fix charges/Demand charges should be waived.

We enclose herewith a copy of the relevant first few pages upto page No.4 of Restart Package announced by Department of Industries, Govt. of Andhra Pradesh, down loaded from www.apindustries.gov.in/Restart-Package/# for your kind perusal and information.

We hope this will strengthen our suggestions.

Thanking you and with regards,

Durgesh V. Buch
President

Encl: As above

Durgesh V. Buch
President

Natubhai Patel
Sr. Vice President

Bhargav Thakkar
Vice President

Sanjeev Chhajer
Secretary

Dilip M. Padhya
Secretary (R)

Pathik S. Patwari
Treasurer

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1. INTRODUCTION

In order to strengthen MSME sector and provided employment to the locals, Government of Andhra Pradesh came up with a revival package called 'ReSTART Package'.

As part of the ReSTART package, the Chief Minister of Andhra Pradesh has released ₹450 crore towards the first instalment. In addition, a special fund of ₹200 crore would be created to provide input capital loan to the firms at low interest rates.

The initiative is aimed at putting the MSMEs back on track. The government has already announced that the minimum power demand charges of the MSMEs for the months of April, May and June, amounting to ₹188 crore, will be waived.

2. KEY HIGHLIGHTS OF RESTART

Almost 1, 00,000 Industries including MSME in the state providing 10 lakh employment to benefit from this Package.

01 Inclusive and Empowerment

- This package gives fillip to special Category entrepreneur including SC/ST/Women Entrepreneurs.

02 Releasing of pending incentives sanctioned from 2014-2015

- Pending incentives released from 2014-2015 for all MSME units, amounting to NRI capitals 904.89 CR. Will be released into two phases –
 - on 22May,NRI 450.Cr
 - and 2nd tranche in June 2020.

03 Waiver of fixed/demand charges

- Waiver of fixed/demand charges against contracted maximum demand for MSME manufacturing and allied units for period of 3 months (April to June 2020), resulting in cost benefit of INR 188 Cr. to MSME's.

04 Deferment of fixed/Demand Charges

- Deferment of fixed/demand charges against contracted maximum demand for 3 months to Large and Mega Industries without interest or panel charges ,from (April to June 2020), resulting in cost benefit of INR 17 Cr. to Large and Mega Industries.

05 Low Interest working capital loans

- INR 200 Cr. Working capital fund for loans to Micro and small Enterprise, to the tune of 2-10 lakh, at the low interest rate of 6-8%, and repayment of 3 yrs , including moratorium through the APSFC.

06 Preferential market access to MSEs

- Preferential market access to Micro and Small Enterprise in all government procurements as key inventions to improve their marketability in the view of the eroding global markets
 - Procurement of 25% of the annual requirements of all goods/services by value from MSEs, of which 4% reserved for SC/ST and 3% for women

07 Collateral- free automatic loans for MSME

- MSMEs which have been badly hit due to covid-19 need additional funding to meet operational liabilities build up , by raw material and restart business.
- Emergency credit line to MSMEs from banks and NBFC's upto 20% of the entire outstanding credit as on 29.02.2020
 - ✓ Borrowers with upto INR 25CRs outstanding and INR100CRs turnover eligible.
 - ✓ Loans to have 4yr tenure with moratorium on 12 months of principle repayment.
 - ✓ Interest to be capped
 - ✓ 100% credit guarantee cover to banks and NBFC's on principle and interest.
 - ✓ Scheme can be availed till 31st OCT2020
 - ✓ No guarantee fee, no fresh collaterals.

3. SUBORDINATE DEBT FOR STRESSED MSE'S

1. Functioning MSME's which are NPA or stressed will be eligible.
2. Support through credit guarantee trust for Micro or Small Enterprises (CGTMSE)
3. CGTMSE will provide partial credit support guarantee to banks.
4. Subordinate debt will be given to promoters of MSE's by banks equal to 15% of their existing stake in their unit subject to maximum of INR 75lacs.